



Canadian Dividend Investors: 3 Top Stocks to Buy and Hold Forever

Description

[Dividend stocks](#) are beloved by Canadians. There is something nice about knowing every month or quarter you get a fresh stack of cash in your pocket. The best part is you don't have to do any work to get that cash. You buy your investment and the company does the work for you.

Of course, it is not just that simple. You need to do your research. You need to find companies that consistently pay dividends and hopefully are growing those payments regularly. Most importantly, you need to find stocks that have an attractive business model with tailwinds that will push forward growth. There is nothing worse than owning a high-yielding stock that consistently loses capital value over time. That is why dividend quality over quantity is everything.

Fortunately, today I will do some of the grunt work for you. Here are three great quality Canadian dividend stocks you can buy in May, and plan to hold just about forever.

A top Canadian utility stock

Algonquin Power ([TSX:AQN](#))([NYSE:AQN](#)) is really well positioned for some long-term total returns. It operates a diversified utility and renewable power business across North America. This business has very diverse sources of revenues. Over 95% of its cash flows are regulated or contracted.

While utilities are a bit of a boring business, Algonquin is pursuing an aggressive five-year growth plan. It is spending over \$9.4 billion and it hopes to accrete annual 8-10% earnings per share growth over that time frame. This plan isn't including any potential M&A or its 3.4 GW greenfield renewable power pipeline, which will also bolster earnings in the future.

This Canadian stock has been in the dumps for a few weeks. Today, it is starting to look attractive. The company just had a very solid quarter and raised its annual dividend by 10%. This is the 11th consecutive year of double-digit dividend growth. It yields 4%, presenting an attractive income-growth opportunity.

A global infrastructure leader

Brookfield Infrastructure Partners ([TSX:BIP-UN](#))([NYSE:BIP](#)) is another great Canadian dividend stock to buy and hold forever. BIP owns and operates a diverse set of infrastructure assets across the globe. This includes utility assets, midstream infrastructure, transportation, and data assets.

Brookfield just released first-quarter results and the picture looks great. Funds from operation (FFO) per unit increased year over year by 20%. It is seeing very strong organic growth in almost all segments, which is largely due to strong economic conditions that are resulting in volume increases and inflation-based rate increases.

This Canadian stock provides the safety of a utility, but the upside of a growth stock. BIP yields 3.95% today. It raised its dividend 5% in February. Yet, given its strong fundamentals, this could increase again later in the year.

A top Canadian telecom stock

Telus ([TSX:T](#))([NYSE:TU](#)) is the last Canadian stock you can plan to own for a very long time. Today this stock pays an attractive 4.82% dividend. It just raised its dividend 7% in the fourth quarter 2020, and [today it raised that dividend](#) an additional 2% for the second quarter.

Along with its telecom peers, this Canadian stock faces some short-term headwinds largely due to the pandemic. However, over the long-term, Telus should enjoy favourable tailwinds from the rollout of 5G and the deployment of fibre optic service across its entire network.

Not only that, but Telus has been investing in a number of smaller digital growth verticals. Many of these (virtual health, customer experience, and agri-tech) are quickly growing into substantial high-valued businesses themselves. That makes it one of my favourite Canadian dividend-growth stocks to own for yield today — and significant gains for the future.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
3. NYSE:TU (TELUS)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
6. TSX:T (TELUS)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

Date

2025/08/19

Date Created

2021/05/10

Author

robbybrown

default watermark

default watermark